

## ***Reasons why people commit auto insurance fraud***

- ❑ They believe that they are entitled to get something back from the insurance company for past payment of premiums.
- ❑ Their perception of an insurance company is that it is a large organization which can afford to make payment on small claims.
- ❑ They maintain that insurance fraud is not a real crime because “everybody else does it.”

## ***Consequences of auto insurance fraud***

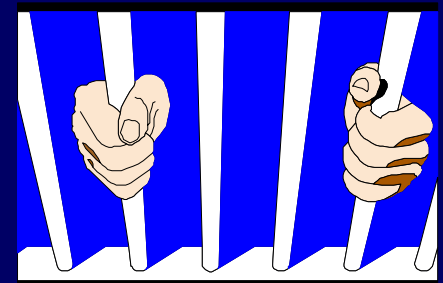
- ❑ The nationwide estimate of auto insurance fraud totaled \$13.9 billion. \*
- ❑ Auto insurance fraud cost the insurance industry in Hawaii an estimated \$61.8 million. \*
- ❑ In 1997, The estimated cost per family in Hawaii due to auto insurance fraud was \$164.50. \*

***Auto insurance fraud  
translates into higher  
premiums for everyone.***

\*1997 Statistics from Coalition Against Insurance  
Fraud

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Insurance Division  
Insurance Fraud Investigation Branch  
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# **Auto Insurance Fraud**



**STATE OF HAWAII**  
*Insurance Fraud Investigation  
Branch*

## **Insurance Fraud Investigation Branch**

The State of Hawaii's Insurance Fraud Investigation Branch was formed to conduct a statewide program for the prevention, investigation, and prosecution of motor vehicle related fraud cases.

Hawaii Revised Statutes §431:10C-307.7 makes it illegal to present a false claim; to present false information on a claim; to present multiple claims for the same loss or injury, except when appropriate; or to provide legal assistance or counsel with the intent to obtain benefits or recovery through these means. The law applies to claims under any type of automobile coverage including personal injury protection, bodily injury and property damage.

## **Insurance Fraud Is a Crime**

### **Insurance Fraud Penalties**

An individual who commits auto insurance fraud can be charged with a:

- ❑ Class B Felony
- ❑ Class C Felony
- ❑ Misdemeanor



A person convicted of auto insurance fraud can be sentenced to spend up to 10 years in prison, and/or be ordered to pay restitution and a hefty fine.

# **Fraud Inflates the Cost of \$\$ Your Insurance \$\$**

## **Auto Insurance Fraud**

Auto insurance fraud is committed whenever someone obtains benefits by intentionally presenting false information to their insurance company about a claim on their auto insurance policy.

Examples of auto insurance fraud includes:

- ❑ Padding a claim - increasing the value of a claim by falsely reporting items stolen from the vehicle;
- ❑ Owner give-ups - abandoning a vehicle and then claims it was stolen;
- ❑ Aiding, soliciting or conspiring with any person who commits auto insurance fraud;
- ❑ Phantom Vehicle - after sustaining injuries and/or property damage in a one-car accident, the owner claims that another vehicle caused the accident;
- ❑ False billing by a provider - submitting a claim for a health care benefit that was not used by, or provided on behalf of, the claimant; and
- ❑ Phony injury claims - lying about the injuries they or others have sustained in accidents;

**To anonymously report insurance fraud on Oahu call the  
Insurance Fraud Hotline at (808) 587-7416.**

**Neighbor Islands call: Kauai 274-3141 Maui 984-2400  
Big Island 974-4000  
Molokai & Lanai 1-800-468-4644  
Ask to be transferred to extension 77416.**